

Jason Kellahin
W. Thomas Kellahin
Karen Aubrey

KELLAHIN and KELLAHIN
Attorneys at Law
El Patio - 117 North Guadalupe
Post Office Box 2265
Santa Fe, New Mexico 87504-2265

Telephone 982-4285
Area Code 505

June 4, 1984

Mr. Joe D. Ramey
Oil Conservation Division
P. O. Box 2088
Santa Fe, New Mexico 87501

"Hand Delivered"

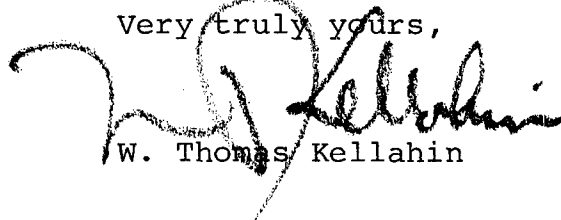
Re: Administrative application for
Downhole Commingling
J. R. Cone # 2 Anderson Well
Unit I, Sec 21, T21S, R37E,
Lea County, New Mexico

Dear Mr. Ramey:

On behalf of J. R. Cone, please find enclosed
for administrative approval an application pursuant
to Rule 303 for the addition of the Simpson formation
as a downhole commingled formation to the previously
approved DHC of the Drinkard and ABO formations in
the subject well.

Please call me if you have any questions.

Very truly yours,



W. Thomas Kellahin

WTK:ca
Enc.

cc: John C. Byers
Byers Engineering Company
P. O. Box 6308
Lubbock, Texas 79413

PETROLEUM GEOLOGIST
RESERVOIR ENGINEERING

JOHN C. BYERS
BYERS ENGINEERING CO.
LUBBOCK NATIONAL BANK BLDG.
SUITE 6E P. O. BOX 6308
LUBBOCK, TEXAS 79413

TELEPHONE
(806) 762-0489

May 30, 1984

Energy & Minerals Department
Oil Conservation Division
P.O. Box 2088
Santa Fe, New Mexico 87501

Attention: Mr. Joe D. Ramey

Re: J. R. Cone #2 Anderson
Drinkard & Wantz Abo Pools
Lea County, New Mexico
Unit I, Section 21 T21S R37E
Exception to Rule 303A

Gentlemen:

The referenced well was completed in 1949 from the Hare Simpson sand section, and produced as a single completion from that horizon through May of 1959, with a cumulative production of 163,322 barrels. Production from this horizon was terminated when Simpson sand entered the borehole and stuck some 450 feet of 2 7/8 inch tubing below a hook wall packer. The packer could not be released at the time due to sand in the borehole. Tubing was cut off some twenty feet above the packer, a bridge plug with two sack cement cap was placed approximately thirty feet above the tubing cut.

The well was plugged back for production from the Abo which was produced until February of 1961, when the well was recompleted in the Blinebry section. The well was again recompleted from the Blinebry to Drinkard formation in January of 1975, and production was sustained from this horizon until December of 1981. After December of 1981, the Wantz Abo section was reopened and commingled under authority of Administrative Order Number DHC-350. Production curves covering the period of production during the later life of the Simpson formation and subsequent periods are attached hereto to express the nature of production from each of the reservoirs.

Form C-116 representing tests of the well under current conditions of downhole commingling is attached hereto showing production capacity at the present time to be some five barrels oil per day with a gas/oil ratio of 26,400 to 1 under pumping conditions.

Attached hereto is Oil Conservation Division Form C-103 and C-102, pertaining to this well and proposals that are put forth here.

As set out in Form C-103 it is proposed that the Drinkard and Abo sections, as now producing from this well, be killed with foam in order to prevent damage to the respective formations. After placing these under control, it is proposed that the bridge plug at 7,349 feet be drilled out to give access to the top of the fish that is stuck in the hole with the top at 7,374 feet.

Upon successful recovery of the fish and clean out of the well to total depth of 8,247 feet, it is proposed that a packer be run in this hole in order to test the Simpson sand section for production in the interval 7,700 feet to 7,744 feet. It should be anticipated that the Simpson section from this well will produce in the range of ten to fifteen barrels of oil per day at a gas/oil ratio of some 20,000 to 1 if pumped.

We hereby respectively request that the Oil Conservation Commission give due consideration to approval of comingling production from the Drinkard, Abo and Simpson sections in this borehole, after adequate test and pressure determinations from the Simpson section, as outlined in the foregoing in Form C-103. The approval of such action under these conditions will allow this well to be maintained at commercial rates of production, thereby extending it's life and aid in conservation of natural resources, as well as protect the correlative rights of the interest owners of this property.

This well is presently produced by rod pump, therefore, bottom hole pressures from the combined Drinkard and Wantz Abo Pools are not available. However, shut-in pressures and fluid levels would indicate these pressures to be in the vicinity if 400 to 500 psig. It is anticipated that similar pressures will be found in the Simpson sand section.

Fluid characteristics from the Drinkard, Wantz Abo and Simpson sands are fully compatible; therefore, reduction of value of these fluids is not anticipated if they are comingled within the borehole.

The mineral ownership in all horizons underlying this well and lease are common.

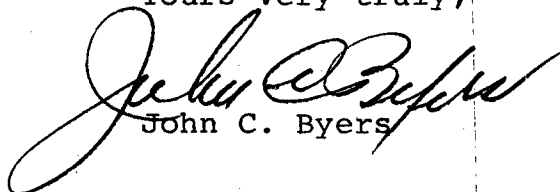
Energy & Minerals Department
Page Three

Attached hereto for your information are copies of letters requesting waiver of objection to this request from all offsetting operators to this lease.

Your consideration of this request is sincerely appreciated. If additional data is required, please call upon us and we will promptly supply the same.

In the event that the request set out herein is not within the realm of authority of administrative approval, we further request that hearing be set in this matter before the Oil Conservation Commission at an early date convenient to the Commission.

Yours very truly,



John C. Byers

JCB:bp

Enclosures

PETROLEUM GEOLOGIST
RESERVOIR ENGINEERING

JOHN C. BYERS
BYERS ENGINEERING CO.
LUBBOCK NATIONAL BANK BLDG.
SUITE 6E P. O. BOX 6308
LUBBOCK, TEXAS 79413

May 30, 1984

Continental Oil Company
P.O. Box 1959
Midland, Texas 79702

Attention: Production Supervisor

Re: J. R. Cone #2 Anderson
Unit I, Section 21 T21S R37E
Lea County, New Mexico
Application to Downhole
Commingle Production

Gentlemen:

As operator of the referenced well, J. R. Cone has filed application to the Oil Conservation Division, Energy and Minerals Department, State of New Mexico for additional downhole commingling of production from the Simpson sand section, along with that previously approved for Drinkard and Abo within the borehole of the referenced well. A copy of this application is attached hereto for your convenience.

The J. R. Cone #2 Anderson produced from the Hare Pool Simpson sand section from 1949 through May of 1959, at which time it was recompleted in the Abo section and was produced therefrom until 1961. At which time it was again recompleted in the Blinbry. The well was again recompleted from the Blinbry to the Drinkard in 1975. In 1981, under authority of Administrative Order Number DHC-350, production from Drinkard and Wantz Abo horizons in this well were commingled in the borehole. This well is now producing by pumping at marginal economic rates from these combined formations.

The plan for which this application is made provides for isolation and testing of the Simpson formation within this borehole, and subsequent to test commingled production from that Simpson section along with that from the Drinkard and Wantz Abo by pumping.

In the event that you find no objection to this application, it will be sincerely appreciated if you will so indicate in the space provided below and forward one copy

RECEIVED HOBBS DIVISION	
JUN 06 '84	
TELEPHONE (806) 762-0489	
Div. Manager	1
Asst. Div. Mgr.	
Div. Adm. Mgr.	
Div. Engr.	2
Drig. Supt.	
Sys. Supv.	
Cons'v. Coord.	3
Training Coord.	
Adm. Supv. - APH	
Adm. Supv. - SES	4
Sup. Prod. Eng.	
Sup. Resv. Eng.	
Prod. Supt. - H-I	
Prod. Supt. - H-II	
Prod. Supt. - F	

Continental Oil Company
Page Two

each of this waiver to the Oil Conservation Commission,
State of New Mexico and to J. R. Cone in Lubbock through
the self addressed envelopes provided herewith.

Your consideration and attention to this request is
sincerely appreciated.

Yours very truly,

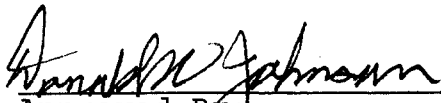

John C. Byers

JCB:bp

Encls.

CONOCO INC.

Company Name


Approved By:

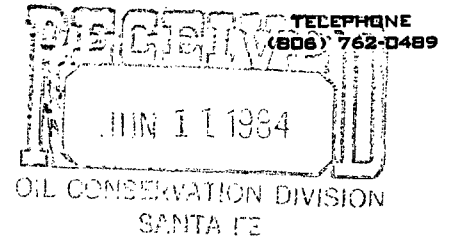
JUNE 19, 1984

Date

PETROLEUM GEOLOGIST
RESERVOIR ENGINEERING

JOHN C. BYERS
BYERS ENGINEERING CO.
LUBBOCK NATIONAL BANK BLDG.
SUITE 6E P. O. BOX 6308
LUBBOCK, TEXAS 79413

May 30, 1984



Sun Oil Company
P.O. Box 1861
Midland, Texas 79702

Attention: Production Supervisor

Re: J. R. Cone #2 Anderson
Unit I, Section 21 T21S R37E
Lea County, New Mexico
Application to Downhole
Commingled Production

Gentlemen:

As operator of the referenced well, J. R. Cone has filed application to the Oil Conservation Division, Energy and Minerals Department, State of New Mexico for additional downhole commingling of production from the Simpson sand section, along with that previously approved for Drinkard and Abo within the borehole of the referenced well. A copy of this application is attached hereto for your convenience.

The J. R. Cone #2 Anderson produced from the Hare Pool Simpson sand section from 1949 through May of 1959, at which time it was recompleted in the Abo section and was produced therefrom until 1961. At which time it was again recompleted in the Blinbry. The well was again recompleted from the Blinbry to the Drinkard in 1975. In 1981, under authority of Administrative Order Number DHC-350, production from Drinkard and Wantz Abo horizons in this well were commingled in the borehole. This well is now producing by pumping at marginal economic rates from these combined formations.

The plan for which this application is made provides for isolation and testing of the Simpson formation within this borehole, and subsequent to test commingled production from that Simpson section along with that from the Drinkard and Wantz Abo by pumping.

In the event that you find no objection to this application, it will be sincerely appreciated if you will so indicate in the space provided below and forward one copy

Sun Oil Company
Page Two

each of this waiver to the Oil Conservation Commission,
State of New Mexico and to J. R. Cone in Lubbock through
the self addressed envelopes provided herewith.

Your consideration and attention to this request is
sincerely appreciated.

Yours very truly,

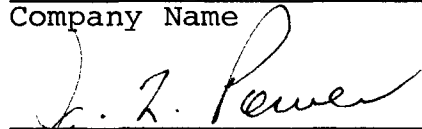

John C. Byers

JCB:bp

Encls.

SUN EXPLORATION & PRODUCTION CO.

Company Name



Approved By:

6-7-84

Date

PETROLEUM GEOLOGIST
RESERVOIR ENGINEERING

JOHN C. BYERS
BYERS ENGINEERING CO.
LUBBOCK NATIONAL BANK BLDG.
SUITE 6E P. O. BOX 6308
LUBBOCK, TEXAS 79413

TELEPHONE
(806) 762-0489

May 30, 1984

Getty Oil Company
Two Midland National Bank Center
Midland, Texas 79701

Re: J. R. Cone #2 Eubanks Well
Unit L, Section 14, T21S R37E
Lea County, New Mexico
Application to Downhole
Commingled Production

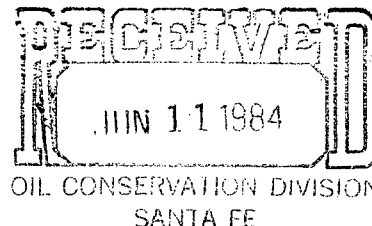
Gentlemen:

As operator of the referenced well J. R. Cone has filed application with the Oil Conservation Division, Energy and Minerals Department, State of New Mexico for additional downhole commingling of production from the Drinkard formation, along with that previously approved for Blinberry and Tubb within the borehole of the referenced well. A copy of this application is attached hereto for your convenience.

The J. R. Cone #2 Eubanks produced Drinkard oil from May of 1949 through March of 1964, at which time it was re-completed as a dual producer from the Drinkard and Tubb formations. Approval to downhole commingled production from the Blinberry and Tubb was approved by the Oil Conservation Division through its order R5481, dated June 28, 1977. The well is now producing by flowing at marginal economic rates from these formations.

The plan for which this application is made provides for isolation and testing of the Drinkard formation, and subsequent to test commingled production from the Blinberry, Tubb and Drinkard within the borehole and produce all three formations by pumping.

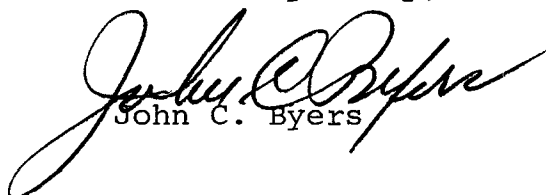
In the event that you find no objection to this application, it will be sincerely appreciated if you will so indicate in the space provided below, and forward one copy each of this waiver to the Oil Conservation Commission, State of New Mexico, and to J. R. Cone in Lubbock, through the self addressed envelopes provided herewith.



Getty Oil Company
Page Two

Your consideration and attention to this request is
sincerely appreciated.

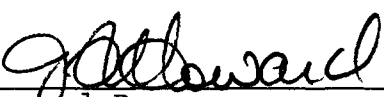
Yours very truly,


John C. Byers

JCB:bp

Encls.

GETTY OIL COMPANY
Company Name


Approved By:

JUNE 6, 1984
Date

RECEIVED
JUN 11 1984
OIL CONSERVATION DIVISION
SANTA FE

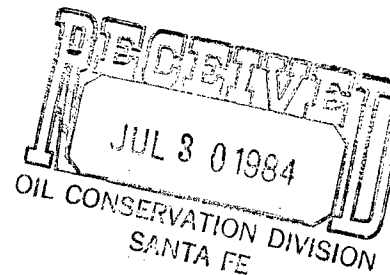
PETROLEUM GEOLOGIST
RESERVOIR ENGINEERING

JOHN C. BYERS
BYERS ENGINEERING CO.
LUBBOCK NATIONAL BANK BLDG.
SUITE 6E P. O. BOX 6308
LUBBOCK, TEXAS 79413

TELEPHONE
(806) 762-0489

May 30, 1984

Shell Oil Company
Woodcreek #4434
P.O. Box 991
Houston, Texas 77001



Attention: Production Administration

Re: J. R. Cone #2 Anderson
Unit I, Section 21 T21S R37E
Lea County, New Mexico
Application to Downhole
Commingled Production

Gentlemen:

As operator of the referenced well, J. R. Cone has filed application to the Oil Conservation Division, Energy and Minerals Department, State of New Mexico for additional downhole commingling of production from the Simpson sand section, along with that previously approved for Drinkard and Abo within the borehole of the referenced well. A copy of this application is attached hereto for your convenience.

The J. R. Cone #2 Anderson produced from the Hare Pool Simpson sand section from 1949 through May of 1959, at which time it was recompleted in the Abo section and was produced therefrom until 1961. At which time it was again recompleted in the Blinebry. The well was again recompleted from the Blinebry to the Drinkard in 1975. In 1981, under authority of Administrative Order Number DHC-350, production from Drinkard and Wantz Abo horizons in this well were commingled in the borehole. This well is now producing by pumping at marginal economic rates from these combined formations.

The plan for which this application is made provides for isolation and testing of the Simpson formation within this borehole, and subsequent to test commingled production from that Simpson section along with that from the Drinkard and Wantz Abo by pumping.

In the event that you find no objection to this application, it will be sincerely appreciated if you will so indicate in the space provided below and forward one copy

Shell Oil Company
Page Two

each of this waiver to the Oil Conservation Commission,
State of New Mexico and to J. R. Cone in Lubbock through
the self addressed envelopes provided herewith.

Your consideration and attention to this request is
sincerely appreciated.


Yours very truly,


John C. Byers

JCB:bp

Encls.

Shell Western E & P Inc.
Company Name


Approved By:

7/25/84
Date

PETROLEUM GEOLOGIST
RESERVOIR ENGINEERING

JOHN C. BYERS
BYERS ENGINEERING CO.
LUBBOCK NATIONAL BANK BLDG.
SUITE 6E P. O. BOX 6308
LUBBOCK, TEXAS 79413

TELEPHONE
(806) 762-0489

May 30, 1984

Hondo Drilling Company
Drawer 2516
Midland, Texas 79701

Attention: Production Supervisor

Re: J. R. Cone #2 Anderson
Unit I, Section 21 T21S R37E
Lea County, New Mexico
Application to Downhole
Commingled Production

Gentlemen:

As operator of the referenced well, J. R. Cone has filed application to the Oil Conservation Division, Energy and Minerals Department, State of New Mexico for additional downhole commingling of production from the Simpson sand section, along with that previously approved for Drinkard and Abo within the borehole of the referenced well. A copy of this application is attached hereto for your convenience.

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The plan for which this application is made provides for isolation and testing of the Simpson formation within this borehole, and subsequent to test commingled production from that Simpson section along with that from the Drinkard and Wantz Abo by pumping.

In the event that you find no objection to this application, it will be sincerely appreciated if you will so indicate in the space provided below and forward one copy

Hondo Drilling Company
Page Two

each of this waiver to the Oil Conservation Commission,
State of New Mexico and to J. R. Cone in Lubbock through
the self addressed envelopes provided herewith.

Your consideration and attention to this request is
sincerely appreciated. ,

Yours very truly,


John C. Byers

JCB:bp

Encls.

Company Name

Approved By:

Date

PETROLEUM GEOLOGIST
RESERVOIR ENGINEERING

JOHN C. BYERS
BYERS ENGINEERING CO.
LUBBOCK NATIONAL BANK BLDG.
SUITE 6E P. O. BOX 6308
LUBBOCK, TEXAS 79413

TELEPHONE
(806) 762-0489

May 30, 1984

Hunt International Petroleum
2800 Thanksgiving Tower
1601 Elm Street
Dallas, Texas 75201

Attention: Oil & Gas Production Supervisor

Re: J. R. Cone #2 Anderson
Unit I, Section 21 T21S R37E
Lea County, New Mexico
Application to Downhole
Commingled Production

Gentlemen:

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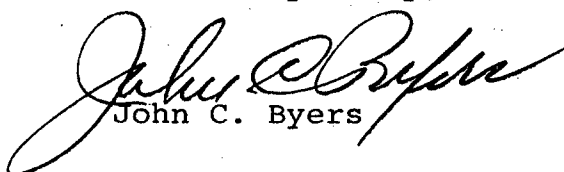
In the event that you find no objection to this application, it will be sincerely appreciated if you will so indicate in the space provided below and forward one copy

Hunt International Petroleum
Page Two

each of this waiver to the Oil Conservation Commission,
State of New Mexico and to J. R. Cone in Lubbock through
the self addressed envelopes provided herewith.

Your consideration and attention to this request is
sincerely appreciated.,

Yours very truly,


John C. Byers

JCB:bp

Encls.

Company Name

Approved By:

Date

Gulf Oil Corporation
Page Two

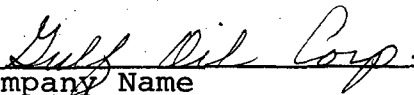
Your consideration and attention to this request is
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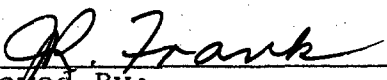
Yours very truly,

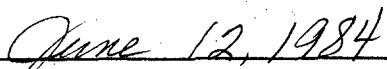

John C. Byers

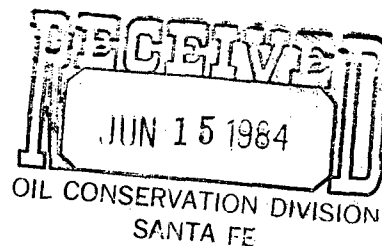
JCB:bp

Encls.


Company Name


Approved By:


Date



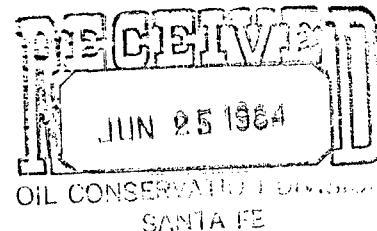


FILE DHC-350

Donald W. Johnson
Division Manager
Production Department
Hobbs Division
North American Production

Conoco Inc.
P.O. Box 460
726 East Michigan
Hobbs, NM 88240
(505) 393-4141

June 19, 1984



New Mexico Oil Conservation
P. O. Box 2088
Santa Fe, NM 87501

ATTENTION Joe Ramey

Gentlemen:

J. R. Cone #2 Anderson Unit I, Section 21, T-21S, R-37E, Lea County,
New Mexico Application to Downhole Commingle Production

Conoco Inc. has no objection as offset operator to the subject Application. One copy of our waiver is attached for your file and one copy is being returned to Mr. Cone.

Yours very truly,

7

HAI:mhe

CC w/attach: J. R. Cone C/O Byers Engr. Co.



STATE OF NEW MEXICO
ENERGY AND MINERALS DEPARTMENT
OIL CONSERVATION DIVISION
HOBBS DISTRICT OFFICE
June 27, 1984

FILE DHC-350

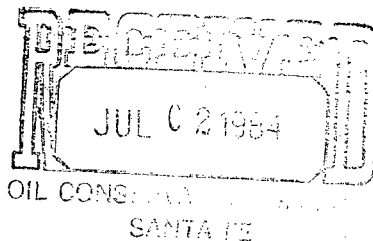
TONEY ANAYA
GOVERNOR

POST OFFICE BOX 1980
HOBBS, NEW MEXICO 88240
(505) 393-6161

OIL CONSERVATION DIVISION
P. O. BOX 2088
SANTA FE, NEW MEXICO 87501

RE: Proposed:

MC _____
DHC _____ X _____
NSL _____
NSP _____
SWD _____
WFX _____
PMX _____



Gentlemen:

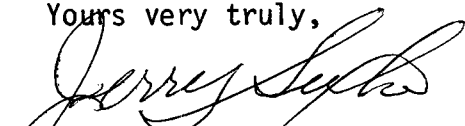
I have examined the application for the:

J. R. Cone	Anderson	No. 2-I	21-21-37
Operator		Lease & Well No. Unit	S-T-R

and my recommendations are as follows:

O.K.----J.S.

Yours very truly,


Jerry Sexton
Supervisor, District 1

/mc